

## DEPARTMENT OF HEALTH & HUMAN SERVICES

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### Public Affairs Office

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## MEDICARE NEWS

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### **CMS ANNOUNCES MEDICARE DEMONSTRATION FOR DAY CARE SERVICES UNDER THE HOME HEALTH BENEFIT**

The Centers for Medicare & Medicaid Services (CMS) today announced plans for a demonstration project that will allow some Medicare beneficiaries to receive medical adult day care services under the home health benefit.

“This demonstration will permit Medicare to assess whether providing medical adult day care services through the home health benefit will improve patient outcomes and provide the opportunity for some respite for beneficiaries’ caregivers,” said CMS Administrator Mark B. McClellan, M.D., Ph.D.

The demonstration will provide an opportunity for home health agencies to partner with medical adult day care facilities to provide medical adult day-care services to Medicare beneficiaries as a substitute for a portion of home health services that would otherwise be provided in the home. The demonstration is authorized by Section 703 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

A notice placed on display today at the Office of the Federal Register provides details on submitting proposals to participate in the demonstration.

Medicare certified home health agencies, or corporate entities that include one or more such agencies, are eligible to be selected as demonstration sites. The demonstration is limited to not more than five sites and associated adult day care facilities that provide services in states that license or certify medical adult day care facilities.

Participating home health agencies will be paid 95 percent of the home health prospective payment rate for services provided to beneficiaries participating in the demonstration. Up to 15,000 beneficiaries at any one time will be eligible to enroll in the three-year demonstration, which is scheduled to begin in February, 2006.

There are approximately 2,100 licensed medical adult day care facilities throughout the country providing adult day services that include health care, as well as social interaction and caregiver respite services, to meet the day-time needs of individuals with functional or cognitive impairments.

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Currently, Medicare beneficiaries who attend medical adult day care facilities pay out of pocket for those services or they are reimbursed through a third party payer other than Medicare. Under this demonstration, Medicare beneficiaries will be eligible to receive medical adult day services as a substitute for a portion of home health services that would otherwise be provided in the beneficiaries' home. Since these adult day care services will be provided in coordination with the home health benefit, beneficiaries will not have any associated out-of-pocket costs for these additional services while enrolled in the demonstration.

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